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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

FILED/ACCEPTED

JUL 23 2007

Federal Communications Commission
Office of the Secretary

Re: TerreStar Networks, Inc. – Request for Milestone Extension, FCC File No. SAT-MOD-200700608-00080; Use of Returned Spectrum in the 2 GHz Mobile Satellite Service Frequency Bands – IB Docket Nos. 05-220 and 05-221

Dear Ms. Dortch:

Globalstar, Inc. (“Globalstar”) submits this letter for the record in the above-referenced proceedings, in which the Commission has reserved all of the spectrum in the 2 GHz Mobile Satellite Service (“MSS”) band to TerreStar Networks, Inc. (“TerreStar”) and ICO Satellite Services (“ICO”).^{1/} TerreStar’s recent request for a ten-month extension of its launch milestone^{2/} highlights the validity of a point that Globalstar has emphasized in its prior pleadings: The Commission’s decision to reserve all of the 2 GHz spectrum to TerreStar and ICO is inconsistent with its policy of having at least three licensees in any band and creates an unnecessary risk that there will be a lack of effective competition in the 2 GHz MSS marketplace.^{3/}

1/ See Use of Returned Spectrum in the 2 GHz Mobile Satellite Service Frequency Bands, Order, 20 FCC Rcd 19696 (2005) (“2 GHz Order”). Although TerreStar’s 2 GHz spectrum reservation originally was made in favor of TMI Communications and Company, Limited Partnership (“TMI”), on May 10, 2007, the International Bureau approved the request by TMI and TerreStar to modify TMI’s spectrum reservation to list it in TerreStar’s name. See TMI Communications and Company, Limited Partnership, and TerreStar Networks, LLC – Application for Modification of Spectrum Reservation for 2 GHz Mobile Satellite Service System, FCC File Nos. SAT-ASG-20021211-00238 and SAT-AMD-20061127-00143, 22 FCC Rcd 8602 (Int’l Bureau 2007).

2/ See TerreStar Networks, Inc. – Request for Milestone Extension, FCC File No. SAT-MOD-200700608-00080 (filed June 8, 2007) (“TerreStar Extension Request”).

3/ See, e.g., Petition of Globalstar for Reconsideration, IB Docket Nos. 05-220 and 05-221 (filed Jan 9, 2006) (“Globalstar Petition”); Reply of Globalstar to Oppositions to Petition for Reconsideration, IB Docket Nos. 05-220 and 05-221 (filed Feb. 27, 2006) (“Globalstar Reply”).

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Globalstar and others have documented that the Commission's decision to award all of the 2 GHz MSS spectrum to only two entities – neither of which has a proven track record of providing actual MSS service to the public safety community or other customers – was a dramatic and unjustified departure from its sound and longstanding policy favoring three or more competitors in a given market for the provision of satellite services.^{4/} In shutting all other competitors out of the 2 GHz marketplace, the Commission failed to account for the fact that, given the enormous financial undertaking associated with the construction and launch of a satellite system, there is no guarantee that a new entrant such as TerreStar or ICO will ultimately make it to market. If either TerreStar or ICO – let alone both – fails to put a system into operation, the public interest benefits that should flow from competitive offerings in this spectrum will never be realized.^{5/}

Now, only a year-and-a-half since the Commission's decision, *both* of the entities for which the Commission has reserved the 2 GHz MSS spectrum have sought extensions of their implementation milestones, and the uncertainty about whether one or both will fail ultimately to provide service is palpable. In the case of ICO, the Commission already has granted not one, but two milestone extensions, delaying the date by which ICO's system must be placed into operation by 17 months.^{6/} And TerreStar now has sought a ten-month extension of the deadline

4/ See, e.g., Globalstar Petition at 10 (“The Commission’s decision to license only two competitors in the 2 GHz band...departs from its own policy without explanation or justification”); Globalstar Reply at 2 (“Neither [TerreStar] nor ICO has ever provided any MSS public safety services and thus entrusting all of the 2 GHz spectrum to them hardly ensures the deployment of the advanced public safety services the 2 GHz spectrum is intended to support – particularly in light of the very real possibility that one or both of those entities may never deploy a 2 GHz MSS system”); Inmarsat Ventures Limited and Inmarsat Global Limited, Consolidated Petition for Reconsideration, IB Docket Nos. 05-20 and 05-221 (filed Jan. 9, 2006) at 13 (arguing that any of the alternate proposals before the Commission “would have produced a better result than awarding the entire 2 GHz band to only two entities, each of which remains years away from implementing its 2 GHz system.”); Comments of T-Mobile USA, Inc. in IB Docket Nos. 05-220 and 05-221 (filed Feb. 16, 2006) at 7-8 (The Commission’s suggestion in the 2 GHz proceeding “that the grant of a 2 GHz duopoly to [TerreStar] and ICO would serve the public interest by bolstering public safety and expanding rural broadband service is wholly unsupported.”); Comments of CTIA—The Wireless Association® in Support of the Petitions for Reconsideration, IB Docket Nos. 05-220 and 05-221 (filed Feb. 16, 2006) at 2 (“CTIA agrees with Inmarsat and Globalstar that the assignment of spectrum [in the 2 GHz band] should be reconsidered.”).

5/ See, e.g., Globalstar Petition at 12-13.

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by which it must launch its 2 GHz satellite.^{7/} These developments make crystal clear that the assumption underlying the Commission's decision, namely that "ICO and [TerreStar] will be able to bring the spectrum into use more quickly – and thus offer public safety and rural broadband service more quickly – than would be possible if the spectrum were assigned to another party,"^{8/} was in error.

Globalstar reiterates that, as an MSS provider with eight years of experience, it remains committed and financially able to construct and launch a robust and viable 2 GHz MSS system, if given the opportunity. Globalstar currently serves over 274,000 subscribers in 120 countries, a significant number of which are first responders and other federal, state, and local public safety officials. Globalstar has proven that it has both the technical and the business capacity to provide services and meet customer needs. In late 2006, Globalstar announced that it has executed a contract with Alcatel Alenia Space, now Thales Alenia Space ("Thales Alenia"), under which Thales Alenia will design, manufacture, and deliver the Globalstar second-generation constellation of 48 LEO satellites.^{9/} These satellites will be backward compatible with Globalstar's existing constellation and with its global gateways, will have a lifespan through at least 2025, and will ensure that Globalstar will be positioned to provide reliable, efficient, and effective voice and data services over the long term.

6/ See ICO Satellite Services – Application for Modification of 2 GHz LOI Authorization and Petition for Declaratory Ruling or Waiver, *Memorandum Opinion and Order*, 20 FCC Rcd 9797 (Int'l Bur. 2005) (granting an approximately one-year extension of the deadline for satellite launch); New ICO Satellite Services G.P. – Application To Extend Milestones, *Memorandum Opinion and Order*, 22 FCC Rcd 2229 (Int'l Bur. 2007) (granting an approximately five-month extension of the time to complete satellite construction, launch, and operation).

7/ See *TerreStar Extension Request*; Public Notice, Policy Branch Information – Satellite Space Station Applications Accepted for Filing, Report No. SAT-00453 (rel. June 22, 2007). At this point, TerreStar has not yet sought an extension of the deadline by which it must place its system into operation.

8/ See *2 GHz Order* at ¶ 26.

9/ See "Globalstar, Inc. Signs Contract with Alcatel Alenia Space for Second-Generation LEO Satellite Constellation" (Dec. 4, 2006) available at http://www.globalstar.com/en/news/pressreleases/press_display.php?pressId=426.

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If the Commission were to grant Globalstar's Petition for Reconsideration^{10/} of the cancellation of its 2 GHz authorization, which now has been pending for close to three years, it is well positioned financially and has the proven technical and business experience necessary to implement a 2 GHz system in accordance with ambitious milestones. With a 2 GHz authorization, Globalstar would provide services complementary to its existing voice and data services, as described in its reconsideration filings, for the benefit of its many public safety and other customers.

In light of the growing uncertainties about the ability of TerreStar and/or ICO to deploy service within the timeframe envisioned by the Commission, Globalstar once again urges the Commission to reinstate its 2 GHz MSS authorization and ensure that there is true competition in the 2 GHz MSS marketplace.

Respectfully submitted,



William T. Lake
Counsel to Globalstar, Inc.

cc: Chairman Kevin J. Martin
Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert J. McDowell
Michelle Carey
Erika Olsen
Bruce Gottlieb
Barry Ohlson
Aaron Goldberger
Angela Giancarlo
Helen Domenici
Henry Goldberg
Douglas Brandon

10/ See Globalstar, Petition for Reconsideration, File Nos. SAT-LOA-19970926-00151/52/53/54/65 *et al.* (filed July 26, 2004) ("Petition for Reconsideration"); Supplement to Petition for Reconsideration, File Nos. SAT-LOA-19970926-00151/52/53/54/65 *et al.* (filed Aug. 26, 2005).